

AN 10/823,011
Page 2

REMARKS/ARGUMENTS

Claims 1-2 are pending in this application and both claims stand rejected.

35 U.S.C. §103

Claims 1 and 2 were rejected under 35 U.S.C. §103(a) as being unpatentable over Markowicz in view of Pick 3 Virginia Lottery. Markowicz is directed to a network of individual lottery systems having independent structure for selecting individual winners. The individual lotteries also feed through to a network-level lottery having differentiated win pools at the network level, each one being separately accumulated and separately awarded.

Markowicz describes prizes awarded on a pari-mutuel basis. Pick 3 Virginia Lottery describes state lotteries awarding subordinate prizes having a pre-determined fixed monetary value. Thus, modifying the Markowicz lottery with the pre-determined fixed monetary value prizes of Pick 3 would at most suggest that the Markowicz member lotteries award pre-determined fixed monetary value prizes. Neither Markowicz nor Pick 3, alone or together, teaches or suggests a first member lottery awarding prizes having a pre-determined fixed monetary value *in combination with* a second member lottery awarding subordinate prizes on a pari-mutuel basis. Reconsideration of the rejection is respectfully requested.

Claim 2 depends from claim 1 and is allowable for at least that reason.
Reconsideration of the rejection is respectfully requested.

CONCLUSION

All of the claims remaining in this application should now be seen to be in condition for allowance. The prompt issuance of a notice to that effect is respectfully solicited. If there are any remaining questions, the Examiner is requested to contact the undersigned at the number listed below.

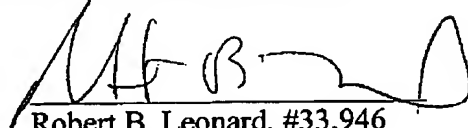
AN 10/823,011
Page 3

No fee is believed to be necessary for the entry of this paper. Should any fee be required for entry of this paper, the Commissioner is authorized to charge the Faegre & Benson Deposit Account No. 06-0029 and in such event, is requested to notify us of the same.

Respectfully Submitted,

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By:



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